

§ 586.516 Transactions with respect to property in which the Government of the Republic of Montenegro has an interest authorized.

All transactions by U.S. persons involving property or interests in property in which the Government of the Republic of Montenegro has an interest are authorized, except with respect to property blocked pursuant to the Federal Republic of Yugoslavia (Serbia and Montenegro) and Bosnian Serb-Controlled Areas of the Republic of Bosnia and Herzegovina Sanctions Regulations, 31 CFR part 585 (see § 585.525). Property and interests in property of the Government of Montenegro shall not be considered “property and interests in property blocked pursuant to § 586.201” for purposes of this part. This authorization does not apply, however, to property in which the Government of Montenegro has an interest but in which there also exists an interest of another person whose property or interests in property are blocked pursuant to § 586.201 or any other part of this chapter.

§ 586.517 Unblocking of certain debt.

(a) Subject to the limitations in paragraph (c) below, debt obligations in the possession or control of U.S. persons for which the National Bank of Yugoslavia has joint or several liability and that were rescheduled pursuant to the “New Financing Agreement” of September 20, 1988, are unblocked.

(b) Specific licenses may be issued on a case-by-case basis to permit the unblocking of debt obligations not otherwise authorized under either paragraph (a) of this section or 31 CFR 585.509.

(c) Nothing in this section authorizes transactions with any person designated in or pursuant to 31 CFR 587.201(a).

[66 FR 50509, Oct. 3, 2001]

§ 586.518 Authorization of release of certain blocked transfers by U.S. financial institutions.

(a) Subject to the limitation set forth in this paragraph, U.S. financial institutions are authorized to unblock and return to the remitting party funds blocked pursuant to this part that came into their possession or control

through wire transfer instructions or check remittances, provided those funds were not destined for an account established on the books of a U.S. financial institution by a person whose property or interests in property were blocked immediately prior to January 19, 2001. Funds otherwise eligible for release under this general license, however, may not be unblocked and returned if they were remitted by or destined for a person designated in or pursuant to 31 CFR 587.201(a).

(b) Funds blocked pursuant to this part that were destined through wire transfer instructions or check remittances for an account established on the books of a U.S. financial institution by a person whose property or interests in property were blocked immediately prior to January 19, 2001, remain blocked. If such funds are not already held in the account for which they were destined, they must be transferred to such an account by October 15, 2001, and maintained in blocked status pursuant to § 586.201(c).

[66 FR 50509, Oct. 3, 2001]

§ 586.519 Release of certain funds held at overseas branches of U.S. financial institutions.

Specific licenses may be issued on a case-by-case basis to permit the overseas branches of U.S. financial institutions to unblock deposit accounts that were blocked pursuant to this part prior to January 19, 2001, and that were established outside of the United States in situations in which such accounts are not owned or controlled, directly or indirectly, by any person designated in or pursuant to 31 CFR § 587.201(a).

[66 FR 50510, Oct. 3, 2001]

§ 586.520 Unblocking of previously blocked property.

(a)(1) Except for such property and interests in property set forth in paragraph (a)(2) of this section, as of February 25, 2003, all transactions that otherwise would be prohibited by this part involving property or interests in property blocked pursuant to Executive Order 13088 of June 9, 1998, or Executive Order 13121 of April 30, 1999, that

§ 586.601

31 CFR Ch. V (7–1–08 Edition)

has remained blocked pursuant to Executive Order 13192 of January 17, 2001, are authorized.

(2) The authorization in paragraph (a)(1) does not apply to property or interests in property blocked pursuant to this part of those persons presently subject to sanctions under either the Federal Republic of Yugoslavia (Serbia & Montenegro) Milosevic Regulations set forth at 31 CFR part 587 or the Western Balkans Transactions Regulations set forth at 31 CFR part 588, or who are otherwise subject to sanctions under this chapter.

(b)(1) As of December 27, 2002, any person or government is authorized to seek an attachment, judgment, decree, lien, or other judicial or legal process against or with respect to any property or interests in property subject to the unblocking authorization set forth in paragraph (a) of this section. This section does not authorize any execution against, final settlement with respect to, garnishment of, or other action effecting the transfer of any property or interests in property subject to the unblocking authorization set forth in paragraph (a) of this section prior to February 25, 2003.

NOTE TO PARAGRAPH (b) OF § 586.520: Any person or government seeking judicial or other legal process under the authority of this paragraph must comply with the reporting requirements set forth under 31 CFR 501.605 pertaining to litigation, arbitration and dispute resolution proceedings.

[67 FR 78974, Dec. 27, 2002]

Subpart F—Reports

§ 586.601 Records and reports.

For provisions relating to records and reports, see subpart C of part 501 of this chapter.

Subpart G—Penalties

§ 586.701 Penalties.

(a) Attention is directed to section 206 of the International Emergency Economic Powers Act (the “Act”) (50 U.S.C. 1705), which is applicable to violations of the provisions of any license, ruling, regulation, order, direction, or instruction issued by or pursuant to the direction or authorization of the

Secretary of the Treasury pursuant to this part or otherwise under the Act.

(1) A civil penalty not to exceed the amount set forth in Section 206 of the Act may be imposed on any person who violates, attempts to violate, conspires to violate, or causes a violation of any license, order, regulation, or prohibition issued under the Act.

NOTE TO PARAGRAPH (a)(1) OF § 586.701: As of June 10, 2008, the Act provides for a maximum civil penalty not to exceed the greater of \$250,000 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

(2) A person who willfully commits, willfully attempts to commit, or willfully conspires to commit, or aids or abets in the commission of a violation of any license, order, regulation, or prohibition shall, upon conviction, be fined not more than \$1,000,000, or if a natural person, may be imprisoned for not more than 20 years, or both.

(b) *Adjustments to penalty amounts.* (1) The civil penalties provided in the Act are subject to adjustment pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101–410, as amended, 28 U.S.C. 2461 note).

(2) The criminal penalties provided in the Act are subject to adjustment pursuant to 18 U.S.C. 3571.

(c) Attention is also directed to 18 U.S.C. 1001, which provides that whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact, or makes any materially false, fictitious, or fraudulent statement or representation, or makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry shall be fined under title 18, United States Code, or imprisoned not more than five years, or both.

(d) Violations of this part may also be subject to relevant provisions of other applicable laws.

[66 FR 50510, Oct. 3, 2001, as amended at 73 FR 32654, June 10, 2008]